



## ENERGY STAR *Small Business*™ . . .

# Energy Upgrades Benefit Tenants *Low-Risk, High Profits*

## UPGRADES SLASH TENANTS' ENERGY COSTS

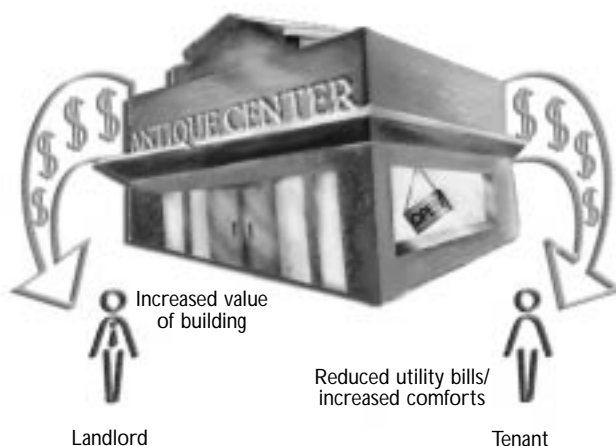
**D**on't be concerned about investing in energy efficiency just because you lease your business space. Many small business owners are tenants. Some tenants pay their own utility bills; others have the cost included

in their rent. Either way, all tenants pay for their utilities in one way or another, and all tenants can profit from energy-efficiency upgrades. Using energy efficiently is important if your business is to succeed.

## C A S E S T U D Y

Diane and Bill Johns, owners of the Cox-sackie Antique Center in upstate New York, pay the utility bills for the building they rent for their antique shop. The building's ambiance was cozy, but its atmosphere wasn't, particularly in the winter. Frigid drafts swirled through the uninsulated building, literally freezing out the shop's customers. After discussing this problem with their landlord, the Johnses spent \$1,100 to insulate the building and the landlord paid for a new roof. Annual energy savings should amount to \$400 (not including potential sales increase),

which means the Johnses should recover their costs in less than three years. Both parties profited: the tenants slashed their operating costs and the landlord got a more valuable building. If the Johnses ever decide to relocate, the landlord can more easily attract tenants to his energy-efficient building.



## WORD OF MOUTH

*Strengthen your  
relationship with  
your building owner.*

**SHARE THE  
NEWS!**

*Energy efficiency  
can be rewarding for  
both you and your  
landlord. Any idea  
that is profitable for  
both tenant and  
landlord is worth  
exploring!*



# TECH TIP

## What if you pay for your own utilities?

Investing in energy-efficiency upgrades can cut your monthly utility bills and create a comfortable work environment for your employees. In a retail setting, new energy-efficient lighting will provide better color rendition, which means your merchandise will look more appealing. A consumer who is both comfortable and visually pleased will take more time shopping and probably spend more money.

Your landlord will also have a more valuable building because of your efforts, so you should negotiate a mutually beneficial deal. Your landlord may agree to lower your rent or to subsidize the cost of the upgrades. Remind your landlord that capital improvements to his building are tax deductible.

## What if your rent includes the cost of utilities?

Energy-efficiency upgrades will reduce the owner's operating costs, and improve the value of the building. Both of these factors will provide you with bargaining chips to negotiate a lower rent. Because many upgrades cost little or nothing, you could profit as much as if you owned your own building. And even if the landlord does not lower your rent or subsidize your upgrades, you will benefit from a more comfortable environment, which could increase the productivity of your workers and induce your customers to spend more. Some low-cost and no-cost upgrade options that can reduce energy costs significantly, as well as increase the comfort of your business, are listed below.

### Low-Cost Upgrade Options

1. Caulk and weather-strip windows and doors.
2. Install programmable thermostats.
3. Install occupancy sensors in conference rooms or other areas not continuously occupied.
4. Replace incandescent light bulbs with more efficient ones, such as compact fluorescent lamps.
5. Install awnings, window shades, or window films to keep out the summer sun and lower air-conditioning costs.
6. Purchase ENERGY STAR® office equipment that you can take with you if you move to another location.
7. Fix leaky faucets and toilets to conserve water.



### No-Cost Upgrade Options

1. Adjust thermostats when space is unoccupied.
2. Turn off lights when rooms are not occupied.
3. Take advantage of winter daylight by leaving window blinds open.
4. Disconnect unnecessary or unused equipment.



## More Information For Tenants

*ENERGY STAR Small Business Guide*  
EPA 430-B-97-040

*ENERGY STAR Small Business Shopping List*  
EPA 430-F-98-012

### BACK ISSUES!

*Investing in Energy Efficiency*  
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